

Stable household income and wealth inequality leading into the pandemic

Media Release

Released 28/04/2022

Source: [Household Income and Wealth, Australia, 2019-20 financial year](#)

Household disposable income and wealth inequality was relatively stable leading into the pandemic, according to 2019–20 data released today by the Australian Bureau of Statistics (ABS).

ABS Head of Household Income and Expenditure Data, Dr Benjamin Mitra-Kahn, said "Inflation adjusted average household weekly disposable income increased by \$30 in 2019–20, statistically unchanged in real terms from 2017–18". Low income households average weekly disposable income increased by \$4 a week and high income households increased by \$27 a week from 2017–18 to 2019–20. Middle income households had the largest increase of \$37.

This meant that compared to 2017–18, low income households had a 1.0 per cent increase in average inflation adjusted household weekly disposable income, middle income households a 4.0 per cent increase, and high income households a 1.2 per cent increase.

The data released today is from Australia's largest survey of income and wealth.

Income

Dr Mitra-Kahn added "Over the decade from 2009–10 to 2019–20, inflation adjusted, average household weekly disposable income increased by \$90. For low income households, the increase was \$33, while high income households saw an increase of \$155".

This meant that over the decade, low income households had an 8.6 per cent increase in average inflation adjusted household weekly disposable income, middle income households a 9.9 per cent increase, and high income households a 7.4 per cent increase.

30 per cent of households were servicing a total debt three or more times their annual disposable income in 2019–20, up from 24 per cent a decade earlier. While more households accrued debt in 2019–20, households also saw an increase in asset values over the decade, particularly related to housing.

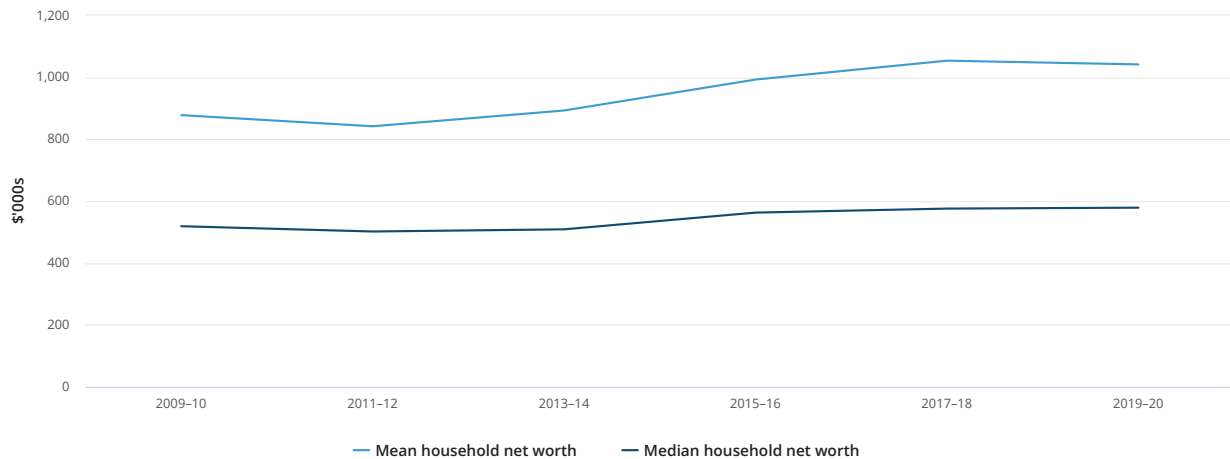
Wealth

Today's data also shows average household wealth remaining relatively unchanged in 2019–20 compared to 2017–18, but total household liabilities were up \$14,400 on average, an increase of 7.6 per cent.

"While wealth and the distribution of wealth remained relatively unchanged, Australian households saw an average 39 per cent increase in their liabilities over the decade, from \$146,200 in 2009–10 to \$203,800 in 2019–20," Dr Mitra-Kahn said.



Graph 1 - HOUSEHOLD NET WORTH, Australia, 2009–10 to 2019–20(a)(b)



a. In 2019–20 dollars, adjusted using changes in the Consumer Price Index

b. Due to the change in collection methodology, estimates may not be directly comparable to previous cycles. For more information please see the Household Income and Wealth, Australia - Methodology, 2019–20 financial year

Source (s): ABS Survey of Income and Housing, various years



The 2019–20 Survey of Income and Housing was carried out from July 2019 to June 2020. During this time, Australians were impacted by bushfires and COVID-19. With data collection for the final quarter (June quarter 2020) occurring early in that quarter, the survey does not capture the full impacts of these events.

Income, wealth and housing data are from the 2019–20 [Survey of Income and Housing \(/statistics/economy/finance/household-income-and-wealth-australia/latest-release\)](#).

The ABS is re-imagining how it collects and publishes data on income, expenditure, housing and wealth. For more see our [key priorities page \(/about/key-priorities/re-imagining-household-income-housing-wealth-and-expenditure-data\)](#).

Media notes

- There are many summary indicators that can be used to help understand the distribution of income and wealth across the population. The ABS uses the Gini coefficient as an internationally comparable indicator. Gini coefficient values range between 0 and 1. Values closer to 0 represent higher equality and values closer to 1 represent higher inequality.
- Income and wealth estimates are in 2019–20 dollars and have been adjusted using changes in the Consumer Price Index.
- Income data is based on equivalised disposable current weekly household income. Equivalence factors

standardise income for variations in household size and composition, while taking into account the economies of scale that arise from the sharing of dwellings. Disposable means net of income tax and the Medicare levy.

- Household wealth is the value of all the assets owned by a household less the value of all its liabilities.
- When reporting ABS data, the Australian Bureau of Statistics (or ABS) must be attributed as the source.
- For media requests and interviews, contact the ABS Media Team via media@abs.gov.au (<mailto:media@abs.gov.au>) (8.30am-5pm Mon-Fri).
- Estimates are for people who reside in private dwellings in Australia, excluding Very Remote areas.
- Further data releases from the SIH 2019–20 have been scheduled for 25 May and 29 July 2022, with the 2020–21 SIH results intended to be released in late 2022 and early 2023.
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